



April 23, 2015

Bureau of Land Management
Farmington Resource Area
Attn: Mr. William Tambekou
6251 College Blvd., Ste. A
Farmington, NM 87402

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

State of New Mexico
Oil Conservation Division
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: San Juan 28-7 Unit (14-08-001-459)
Commercial Determination
Mesaverde Formation
Rio Arriba County, New Mexico

Gentlemen:

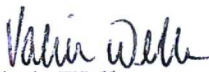
Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement dated November 18, 1952, ConocoPhillips Company, as Operator, has determined that the well listed below *is not* capable of producing unitized substances in paying quantities from the Mesaverde formation. ConocoPhillips Company is seeking confirmation of the determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
San Juan 28-7 Unit 217N	N/2 Sec. 28-T27N-R7W	SF-078640	12/12/2012	Non Commercial

Upon receipt of response from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and New Mexico Oil Conservation Division, this well will continue to report to the lease.

Copies of this letter are being sent to the working interest owners on the attached sheet. For technical questions, please contact Shara Graham at 505-326-9819, for all other questions please contact the undersigned at 505-326-9801

Sincerely,


Valerie Wells,
Sr. Land Technician

Enclosures

File: San Juan 28-7 Unit, 4.2

enclosures

ConocoPhillips
San Juan Business Unit
Land Department
P.O. Box 4289
Farmington, NM 87499-4289

RECEIVED OCS
2015 APR 27 P 3: 07

12/241
C/445

195

San Juan 28-7 Unit 217N
Mesaverde Formation
04/23/2015

SAN JUAN 28-7 UNIT
MESAVERDE FORMATION
WORKING INTEREST OWNERS

BOFB LTD

BURLINGTON RESOURCES O&G CO LP

CAROLEE SMITH

CAROLYN BEAMON TILLEY

CB LIFELINE PARTNERSHIP

CLAUDIA MARCIA LUNDELL GILMER

CONOCOPHILLIPS COMPANY

D J SIMMONS CO LTD PRTNSHP

DUGAN PRODUCTION CORP

HOLLY BISHOP

JAMES R BEAMON

JUNE LIVELY

LINDA JEANNE LUNDELL LINDSEY

MESA ROYALTY TR

PIONEER NATURAL RESOURCES USA INC

ROBERT E BEAMON

ROBERT WALTER LUNDELL

SHARON BEAMON BURNS

SILVERADO OIL & GAS LLP

SUSAN BEAMON PORTER

W G PEAVY OIL CO

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-7 UNIT 217N

WELL INFORMATION

LEASE	SAN JUAN 28-7 UNIT 217N
LOCATION	2827N07WE
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	MESAVERDE
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS COMPANY
SPUD DATE	9/12/2012
COMP DATE	12/10/2012
1ST DELIVERY	12/12/2012
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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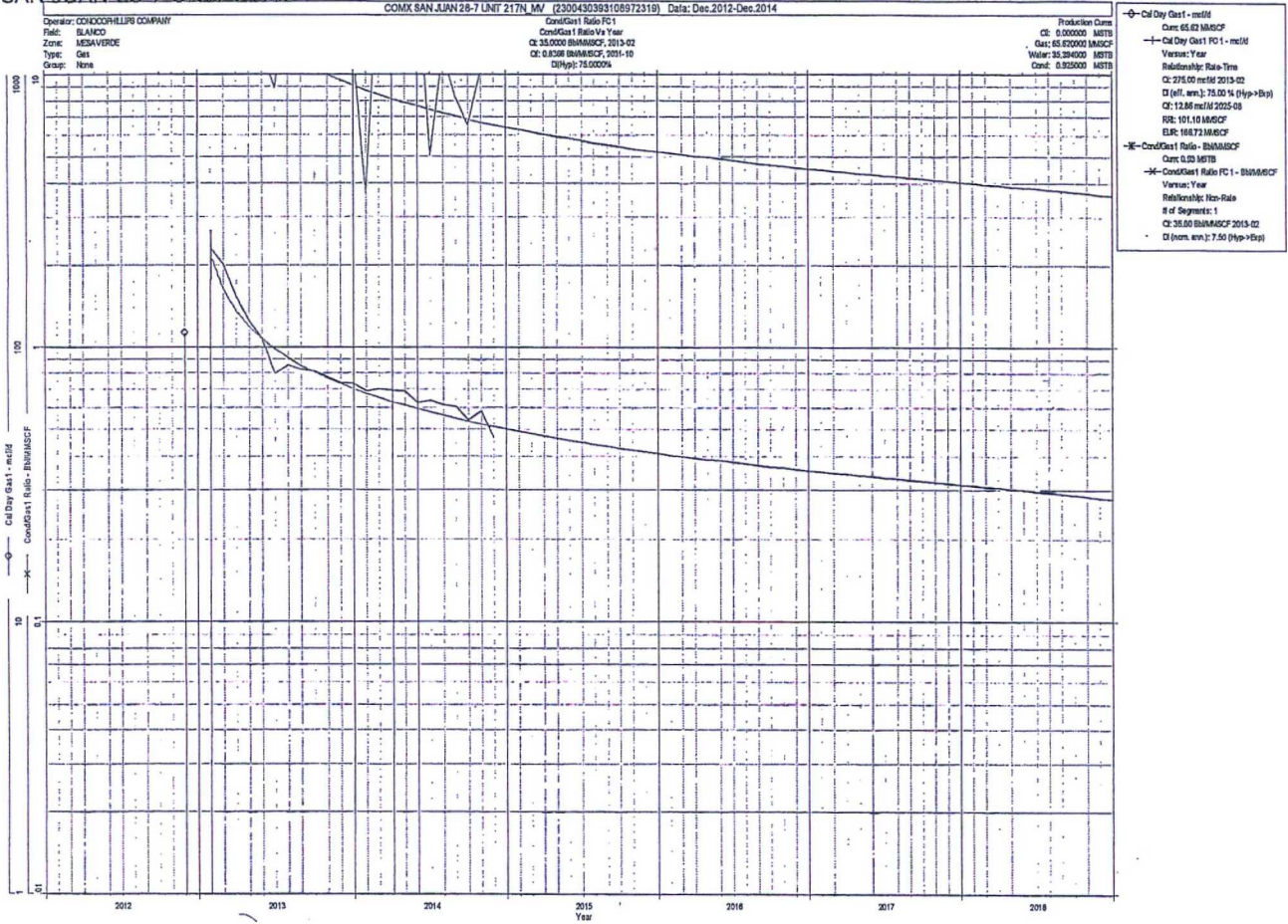
PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NM
	2012 - 2013 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.94
AD VALOREM:	
Production, Equipment	0.21
TOTAL %:	8.15

WELL COST AND ECONOMICS

2,247.69	M\$	AVERAGE WELL COST
163.22	MMCF	ULT. GROSS GAS RESERVES
232.96	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.68	\$/ \$	P/I, DISC. @ 10.00 %
-1,536.22	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-7 UNIT 217N



CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gas1 Price	Gas Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2013 02	233.0	6.5	4.08	0.21	0.96	4.23	4.23	79.54	29.50	56.8	5.14	0.62	51.06	2,247.69	-2,196.63

Peep 2013.1

SHARA GRAHAM

04/17/2015 16:12

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-7 UNIT 217N

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gas1 Price	Gas Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2013 03	201.3	6.2	3.90	0.08	0.92	4.23	4.23	79.54	29.50	45.5	4.18	0.62	40.74	0.00	40.74
2013 04	153.5	4.6	2.88	0.09	0.68	4.23	4.23	79.54	29.50	36.0	3.28	0.62	32.07	0.00	32.07
2013 05	125.0	3.9	2.42	0.05	0.57	4.23	4.23	79.54	29.50	28.7	2.63	0.62	25.42	0.00	25.42
2013 06	106.8	3.2	2.01	0.04	0.47	4.23	4.23	79.54	29.50	23.5	2.15	0.62	20.68	0.00	20.68
2013 07	79.7	2.5	1.55	0.02	0.36	4.23	4.23	79.54	29.50	17.5	1.61	0.62	15.24	0.00	15.24
2013 08	86.3	2.7	1.67	0.05	0.39	4.23	4.23	79.54	29.50	20.9	1.91	0.62	18.41	0.00	18.41
2013 09	82.8	2.5	1.55	0.02	0.37	4.23	4.23	79.54	29.50	17.8	1.63	0.62	15.51	0.00	15.51
2013 10	81.2	2.5	1.57	0.03	0.37	4.23	4.23	79.54	29.50	18.4	1.69	0.62	16.08	0.00	16.08
2013 11	77.1	2.3	1.45	0.03	0.34	4.23	4.23	79.54	29.50	17.1	1.57	0.62	14.89	0.00	14.89
2013 12	73.5	2.3	1.43	0.03	0.34	4.23	4.23	79.54	29.50	16.8	1.54	0.62	14.63	0.00	14.63
2014 01	73.0	2.3	1.42	0.03	0.33	4.23	4.23	79.54	29.50	16.6	1.52	0.62	14.46	0.00	14.46
2014 02	68.5	1.9	1.20	0.01	0.28	4.23	4.23	79.54	29.50	12.8	1.19	0.62	11.04	0.00	11.04
2014 03	70.0	2.2	1.36	0.05	0.32	4.23	4.23	79.54	29.50	17.6	1.60	0.62	15.40	0.00	15.40
2014 04	68.9	2.1	1.29	0.02	0.30	4.23	4.23	79.54	29.50	14.9	1.37	0.62	12.88	0.00	12.88
2014 05	68.5	2.1	1.33	0.00	0.31	4.23	4.23	79.54	29.50	13.7	1.27	0.62	11.80	0.00	11.80
2014 06	62.4	1.9	1.17	0.05	0.28	4.23	4.23	79.54	29.50	15.8	1.43	0.62	13.71	0.00	13.71
2014 07	63.5	2.0	1.23	0.01	0.29	4.23	4.23	79.54	29.50	13.4	1.24	0.62	11.53	0.00	11.53
2014 08	61.2	1.9	1.19	0.02	0.28	4.23	4.23	79.54	29.50	13.8	1.27	0.62	11.95	0.00	11.95
2014 09	60.2	1.8	1.13	0.01	0.27	4.23	4.23	79.54	29.50	12.7	1.17	0.62	10.90	0.00	10.90
Sub.	---	57.3	35.83	0.87	8.44	---	---	---	---	430.1	39.39	12.32	378.42	2,247.69	-1,869.26
Rem.	---	105.9	66.28	0.44	15.60	---	---	---	---	713.5	66.03	80.70	566.79	0.00	566.79
Total	---	163.2	102.11	1.31	24.04	---	---	---	---	1,143.7	105.42	93.02	945.21	2,247.69	-1,302.47